POLICY STATEMENT

Refunds originating from appropriated dollars must be deposited into fund 462125-30012-3115 for the School of Medicine and fund 462125-30007-3115 for all other areas. Refunds from all other sources should be deposited into the fund from which the payment originated.

REASON FOR POLICY

In response to the Attorney General’s opinion issued October 21, 1964, UND adopted a refund policy.

SCOPE OF POLICY

This policy applies to:

✔ President
✔ Vice Presidents
✔ Deans, Directors & Department Heads
✔ Area Managers & Supervisors
✔ Faculty
✔ Staff
✔ Students
✔ Others

WEB SITE REFERENCES

This policy: http://und.edu/finance-operations/_files/docs/2-30-refunds.pdf
Policy Office: http://und.edu/finance-operations/policy-office.cfm
Vice President for Finance & Operations: http://und.edu/finance-operations/
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RELATED INFORMATION


CONTACTS

General questions about this policy can be answered by your department’s administrative office. Specific questions should be directed to the following:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Telephone</th>
<th>Department Email / Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Content &amp; Clarification</td>
<td>Budget Office</td>
<td>(701) 777-3840</td>
<td><a href="http://und.edu/finance-operations/budget/index.cfm">http://und.edu/finance-operations/budget/index.cfm</a></td>
</tr>
<tr>
<td></td>
<td>Student Account Services</td>
<td>(701) 777-3911</td>
<td><a href="http://und.edu/finance-operations/student-account-services/index.cfm">http://und.edu/finance-operations/student-account-services/index.cfm</a></td>
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</tr>
<tr>
<td></td>
<td>Grants &amp; Contracts Administration</td>
<td>(701) 777-4151</td>
<td><a href="http://und.edu/research/research-economic-development/grants-contracts/">http://und.edu/research/research-economic-development/grants-contracts/</a></td>
</tr>
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</tbody>
</table>

DEFINITIONS

<table>
<thead>
<tr>
<th>Appropriated Funds</th>
<th>Funds provided by the legislature as state appropriations and tuition and fees revenue. An appropriated fund number begins with a “3”.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartfield</td>
<td>The account code strings used in PeopleSoft to record transactions in the general ledger. This includes fund, department, account, program, and project.</td>
</tr>
<tr>
<td>Grant &amp; Contract Funds</td>
<td>Funds provided by an external federal, state, or private entity. A grant or contract fund number begins with a “4”.</td>
</tr>
<tr>
<td>OMB</td>
<td>Office of Management and Budget</td>
</tr>
<tr>
<td>Other Funds</td>
<td>Funds provided by generated revenue from a variety of sources, such as residence services, indirect costs, etc. These may be referred to as local funds and begin with a “1” or “2”.</td>
</tr>
<tr>
<td>Other Restricted Funds</td>
<td>Fund numbers that begins with “79” and have external restrictions.</td>
</tr>
<tr>
<td>Refund</td>
<td>Money sent to a UND department for goods or services returned, or a refund due to an error.</td>
</tr>
<tr>
<td>Scholarship Funds</td>
<td>Fund numbers that begins with a “5” and traditionally have external restrictions.</td>
</tr>
</tbody>
</table>
PRINCIPLES

OVERVIEW – The North Dakota Office of Management and Budget references the 1964 Attorney General’s opinion addressing appropriated refunds.

“It is our opinion that a line item appropriated account may not be credited with refunds except where the refund is the result of an accounting or bookkeeping error. The error referred to would include instances where a warrant check has been canceled after charging same to an account or in instances where the refund is the result of an erroneous overcharge for merchandise and the overpayment is corrected by refund, or where an account was erroneously charged with an expenditure which should have been charged to another account and is so corrected.”

The purpose of this statement was to ensure state agencies credit expenses from appropriated funds only within the current biennium and credit revenue for refunds in the prior biennium.

To comply, UND requires the refund first be deposited to a revenue account code. The refund may then be charged against an expenditure account code with the approval of the UND Budget Office or School of Medicine Finance Office.

PROCEDURES

Refunds

Refunds are deposited in Student Account Services using the Departmental Deposit form. The original voucher number, date, and funding source must be included on the form.

Any refund originating from appropriated dollars must be deposited into fund 462125-30012-3115 for the School of Medicine and fund 462125-30007-3115 for all other areas. Refunds from all other sources should be deposited into the fund from which the payment originated.

A department can request a refund be credited to its appropriated fund by written request to the Budget Office (for UND funds) or at the School of Medicine Finance Office (for School of Medicine funds). A request is not a guarantee for approval.

The Budget Office or School of Medicine Finance Office may credit the department for the refund if the purchase and refund are within the same biennium. If the purchase and refund are in different fiscal years, the request may be denied.

Grant and contract fund refunds must be sent to Grants & Contracts Administration for processing. Grants and Contracts requires the reference number and chartfield of the original charge.

Items Not Governed by this Policy

CREDIT MEMOS – This policy does not govern credit memos. Credit memos are recorded when payment of an invoice to the vendor is made. If no future payments will be made to the vendor, a refund is requested and this procedure will apply.

CANCELED/VOID CHECKS – This policy does not govern canceling/voiding checks. Canceling/voiding UND checks will continue to be credited back to the original funding source (appropriated or non-appropriated funds) as long as it falls within the same fiscal year. These checks will not be deposited to institutional collections, as they are not considered refunds. The expense account code will be credited in these transactions.

UNALLOWABLE EXPENSES MISTAKENLY CHARGED TO UND – This policy does not govern individuals paying UND for unallowable expenses mistakenly charged to UND. Deposits for unallowable
expenses are payments from individuals for unallowable expenses. These payments should be deposited back into the original fund-dept-EXPENSE code. These are not considered refunds and the expense should not be reflected on the general ledger, therefore, these amounts will be deposited to the same fund and expense account code as the original transaction (appropriated and non-appropriated funds). Departments should include the original transaction reference number on the deposit form and should indicate that it is for an unallowable expense.

RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Department</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Budget Office</td>
<td>▪ Approve or deny the crediting of refunds from appropriated purchases to the original funding source for UND funds.</td>
</tr>
<tr>
<td>Grants &amp; Contracts Administration</td>
<td>▪ Approve and process grant and contract refunds.</td>
</tr>
<tr>
<td>School of Medicine Finance Office</td>
<td>▪ Approve or deny the crediting of refunds from appropriated purchases to the original funding source for School of Medicine funds.</td>
</tr>
<tr>
<td>Student Account Services</td>
<td>▪ Process deposits.</td>
</tr>
<tr>
<td>UND Departments</td>
<td>▪ Deposit refunds from appropriated purchases into 30007-3115-462125 or 30012-3115-462125.</td>
</tr>
<tr>
<td></td>
<td>▪ Deposit refunds other than those from appropriated purchases into the original funding source using account code 462125.</td>
</tr>
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</table>

FORMS

| Department Deposit Form | [http://und.edu/finance-operations/student-account-services/departmental-deposit-form-06-16-10.xlsx](http://und.edu/finance-operations/student-account-services/departmental-deposit-form-06-16-10.xlsx) |

REVISION RECORD

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
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</table>
| 11/04/2005 – Policy Implementation | ▪ Put into F&O policy format  
▪ Altered wording for clarification purposes  
▪ Adjusted procedures where Student Account Services process deposits rather than Accounting Services |
| 01/07/2013 – Revision   | ▪ Changed 3007 to 30007 in Responsibilities: UND Departments  
▪ Updated link for Website References: Policy Office |
| 03/25/2014 – Revision   | ▪ Added Items Not Governed by this Policy to Procedures. |
| 04/08/2014 – Revision   | ▪ Updated link for Website References: Policy Office |

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